

UNITED STATES FEDERAL COMMUNICATIONS COMMISSION

In the Matter of	)	EB Docket No. 02-21
)	
Peninsula Communications, Inc.)	
	)	File No. EB 01-1H-0609
Licensee of stations	)	FRN: 0001-5712-15
KGTL, Homer, Alaska;	)	Facility ID Nos. 52152
KXBA(FM), Nikiski, Alaska;	)	86717
KWVW-FM, Homer, Alaska; and	)	52145
KPEN-FM, Soldotna, Alaska.	)	52149
)	
Licensee of FM translator stations)	
K292ED, Kachemak City, Alaska;	)	52150
K285DU, Homer, Alaska;	)	52157
K285EG and K272DG, Seward, Alaska	)	52158 and 52160
)	
Former licensee of FM translator)	
stations)	
K285EF, Kenai, Alaska;)	
K283AB, Kenai/Soldotna, Alaska;)	
K257DB, Anchor Point, Alaska;)	
K265CK, Kachemak City, Alaska;)	
K272CN, Homer, Alaska; and)	
K274AB and K285AA, Kodiak, Alaska)	

Witness: David R. Buchanan

Volume: 5

Pages: 366 through 503

Place: Homer, Alaska

Date: August 16, 2002

HERITAGE REPORTING CORPORATION

Official Reporters

1220 L Street, N.W., Suite 600

Washington, D.C. 20005-4018

(202) 628-4888

hrc@concentric.net

ORIGINAL

Before the
Federal Communications Commission
Washington, D.C. 205545

In the Matter of	)	EB Docket No. 02-21
)	
Peninsula Communications, Inc.)	
	)	File No. EB 01-1H-0609
Licensee of stations	)	FRN: 0001-5712-15
KGTL, Homer, Alaska;	)	Facility ID Nos. 52152
KXBA(FM), Nikiski, Alaska;	)	86717
KWVW-FM, Homer, Alaska; and	)	52145
KPEN-FM, Soldotna, Alaska.	)	52149
)	
Licensee of FM translator stations)		
K292ED, Kachemak City, Alaska;	)	52150
K285DU, Homer, Alaska;	)	52157
K285EG and K272DG, Seward, Alaska)		52158 and 52160
)	
Former licensee of FM translator)	
stations)	
K285EF, Kenai, Alaska;)	
K283AB, Kenai/Soldotna, Alaska;)	
K257DB, Anchor Point, Alaska;)	
K265CK, Kachemak City, Alaska;)	
K272CN, Homer, Alaska; and)	
K274AB and K285AA, Kodiak, Alaska)		

DEPOSITION OF DAVID R. BUCHANAN

August 16, 2002

Pursuant to Notice, the deposition of David R. Buchanan was taken before Atiyah Barlow, Notary Public in and for the State of Alaska, and Kron Associates, 1113 West Fireweed Lane, Suite 200, Anchorage, Alaska. It is the sixteenth day of August, 2002, beginning at the hour of 9:20 a.m. at 6721 Raspberry Road Conference Room in Anchorage, Alaska.

Heritage Reporting Corporation
(202) 628-4888

APPEARANCES:
For the Federal
Communications
Commission:

JAMES W. SHOOK
Trial Attorney
Federal Communications
Commission
445 12th Street, SW
Washington, D.C. 20554
(202) 418-1420

JUDY A. LANCASTER
Attorney
Federal Communications
Commission
445 12th Street, Room 3-C408
Washington, D.C. 20554
(202) 418-7584

P R O C E E D I N G S

August 16, 2002

(On record at 9:20 a.m.)

THE REPORTER: On the record. I am Atiyah Barlow, court reporter for Kron Associates, 1113 West Fireweed Lane, Suite 200, Anchorage, Alaska. It is August 16, 2002 at 9:20 a.m. at 6721 Raspberry Road Conference Room, Anchorage, Alaska. The case is the matter of Peninsula Communications, Incorporated, Docket No. 02-21. The name of the witness is David Buchanan. This deposition is being taken on behalf of the Federal Communications Commission. Are there any stipulations by the parties?

MR. SHOOK: None that I am aware of.

THE REPORTER: After the counsel identifies themselves for the record I will swear in the witness.

MR. SHOOK: My name is James Shook. I represent the Chief Enforcement Bureau, Federal Communications Commission and with me is Judy Lancaster who also represents the Chief Enforcement Bureau, Federal Communications Commission.

THE REPORTER: Sir, please you raise your right hand.

(Oath administered)

MR. BUCHANAN: I do.

DAVID R. BUCHANAN,

a witness, called for examination by counsel on behalf of the Federal Communications Commission, being first duly

Heritage Reporting Corporation
(202) 628-4888

1 sworn, examined and testified as follows:

2 Q Please state your name, spelling last.

3 A It's David Buchanan. The last name is

4 B-U-C-H-A-N-A-N, middle initial R.

5 Q For the record please state your mailing address:

6 A 17505 Meadow Creek Drive, Eagle River, Alaska 99577.

7 Q Your telephone number please.

8 A Area code 907-694-3985.

9 Q Thank you. You may proceed.

10 Q Thank you. Mr. Buchanan some preliminary matters.

11 I'll ask questions and what you want to try to do is

12 answer the question as fully and completely as

13 possible. Let me finish my question and I in turn will

14 try to let you finish your answer. If it turns out

15 that there is some cross-talk then both of what we both

16 said tends to get lost and we may have to do certain

17 things over again. If it turns out you do not

18 understand a question please ask me to repeat it or if

19 necessary rephrase it and I will do so. Now, have you

20 ever had your deposition taken before in any matter?

21 A No, I have not.

22 Q Are you on any medication today?

23 A Yes I am. I had a liver transplant in December and I

24 am on a number of anti-rejection drugs all related to

25 that liver transplant.

1 Q Is it your understanding -- or what is your
2 understanding as to whether or not those medications
3 will have any impact on your testimony today?

4 A They should not have any impact as far as I'm aware.

5 Q Is there any other circumstance that you are aware of
6 that could affect your testimony today?

7 A Nothing.

8 Q Now, given that you are on a number of medications,
9 please let us know if and when you need to take a break
10 and we will stop the deposition at that point and then
11 resume when you are ready to go again.

12 A Thank you.

13 Q Also, when you answer a question either yes or no,
14 please state yes or no. Most people in colloquial
15 conversation tend to go uh-huh or unh-unh or something
16 like that to signify one or the other and it's
17 difficult, if not impossible, for the court reporter to
18 pick that up. It's my understanding that you are the
19 President of an entity called Coastal Broadcast
20 Communications, Inc.?

21 A I was. It is no longer incorporated but I was for the
22 purpose of this discussion.

23 Q What time period did Coastal Broadcast Communications,
24 Inc. exist?

25 A From October of 1986 to December of 2000.

1 Q Would it be -- I thought I heard you say 1986, would it
2 be more appropriate, 1996?

3 A Yes. I'm sorry. That is correct.

4 Q Now who were the officers of Coastal Broadcast
5 Communications, Inc.?

6 A Myself, President, General Manager, my wife, Secretary
7 Treasurer.

8 Q Were there any other officers?

9 A No there were not.

10 Q Did Coastal Broadcast Communications, Inc. have any
11 directors?

12 A No it did not.

13 Q And who were the shareholders of Coastal?

14 A The two parties. As President and Secretary, my wife
15 and myself.

16 Q Did each of you own 50 percent of Coastal?

17 A That is correct.

18 Q And was that the case throughout the entirety of
19 Coastal's existence?

20 A Yes.

21 Q And you were the president throughout Coastal's
22 existence?

23 A Yes.

24 Q Was Coastal incorporated in Alaska?

25 A Yes.

1 Q And did Coastal issue stock at about the time of its
2 incorporation?

3 A Yes.

4 Q Now what is your current occupation?

5 A I'm presently unemployed because of a liver transplant
6 in December of 2001.

7 Q If you could please give us an employment history from
8 say, 1990 to the present.

9 A Okay. From 1990 to 1996 -- or 1995, I'm sorry, I was
10 employed by the State of Alaska, Department of Labor as
11 a Veteran's representative for the State. Following
12 that I became President of Coastal. I left my job with
13 the State for the purpose of forming a corporation of
14 Coastal Broadcast Communications. Since then I had
15 been waiting for Coastal to purchase the translators
16 from Peninsula Communications and so there was a period
17 of unemployment but waiting and developing the
18 corporate business to get ready for the acquisition.
19 For the last two years, from about 2000, December of
20 2000, I needed some employment again and so I was
21 currently employed, until my transplant in December,
22 with Wasilla Bible Church as a pastor and after my
23 transplant that position was no longer available
24 because of my medical situation and now I am currently
25 unemployed.

1 Q With respect to the State of Alaska, could you be as
2 precise as possible as to the date that you stopped
3 working for the State?

4 A I have it in my records.

5 Q If you need to feel free to check them.

6 A I'd have to dig it up when my retirement started. I
7 might have to dig a little bit here but it was
8 around.....

9 Q If you feel more comfortable please, we can go off the
10 record for a moment while you check.

11 A Yeah, let's do that and I can check and I should be
12 able to dig up a record here and give you the specific
13 date.

14 THE REPORTER: Off the record.

15 (Off record at 9:30 a.m.)

16 THE REPORTER: On the record.

17 (On record at 9:34 a.m.)

18 A I worked for the State of Alaska, Department of Labor
19 in Employment Services from May of 1987 to December
20 1996.

21 Q Through December of 1996.

22 A That's correct.

23 Q And then between December of 1996 and your taking on
24 the duties of Pastor at Wasilla Bible Church you were
25 basically unemployed?

1 A I was basically unemployed but I was putting together
2 the corporate -- corporation -- awaiting -- waiting for
3 the FCC's decision to purchase the translators from
4 1996 on.

5 Q Had you ever held a license issued by the Federal
6 Communications Commission?

7 A Yes I have.

8 Q What licenses have you held?

9 A I've had an amateur radio license since 1958 and I have
10 a copy of my first class radio telephone license.

11 Q Is that something that we can photocopy today?

12 A You can have that copy.

13 Q Thank you sir. And the license that you have
14 referenced here is current?

15 A That's correct, it's a life -- it's a life time
16 license.

17 Q With respect to the amateur license, is that current?

18 A Yes it is current.

19 Q Has any business entity of which you were an officer,
20 director or significant shareholder held a license
21 issued by the Federal Communications Commission?

22 A No.

23 Q Did you ever work for a business entity that held a
24 license issued by the Federal Communications
25 Commission?

1 A Yes that is correct. I worked for radio KCAM in
2 Glennallen, Alaska from June of 1975 through June of
3 1979.

4 Q What was your role at KCAM?

5 A I was an engine -- on the engineering staff and I
6 became chief engineer.

7 Q Now did you work for any other entity that ever held a
8 license or licenses issued by the Federal
9 Communications Commission?

10 A As a State of Alaska employee I worked for a television
11 station, Channel 11. I did a program related to my job
12 as a Veteran's representative. I produced a TV
13 program. I did not -- I was not hired by them but they
14 allowed us time for the State of Alaska, Department of
15 Labor, to air this program statewide.

16 Q So your work for the television station was as a part
17 of your duties with the State of Alaska?

18 A That is correct.

19 Q Approximately when did you perform such work?

20 A From 1986 through the time I left the Department of
21 Labor at various times. It's more from 1990 I would
22 say to 1996.

23 Q That was when you were able to go on television on a
24 regular basis?

25 A That's correct.

- 1 Q You personally appeared?
- 2 A Yes. I hosted and produced the program.
- 3 Q And the program aired approximately how often?
- 4 A Every week.
- 5 Q That would be every week for roughly six years?
- 6 A About that time, yes.
- 7 Q And do you hold a college degree?
- 8 A Yes I do.
- 9 Q Who issued it?
- 10 A Moody Bible Institute of Chicago. I have a Bachelor of
- 11 Science degree.
- 12 Q And that was issued approximately when?
- 13 A 1971.
- 14 Q Do you hold any other degrees?
- 15 A No I do not.
- 16 Q Now did there come a time when you became acquainted
- 17 with an individual named David Becker?
- 18 A Yes.
- 19 Q Could you describe the circumstances that resulted in
- 20 that acquaintance?
- 21 A I was working for KCAM radio in Glennallen at the time,
- 22 probably, I would roughly guess around 1976. Mr.
- 23 Becker and his family were out traveling around Alaska
- 24 doing survey work with the thought of putting on a
- 25 radio station and developing a radio station in Homer.

1 He came to our station and visited, looked over the
2 operations, at which time that was where I first met
3 him. And I was on duty at the time and I gave him the
4 technical details of our operation and we discussed
5 programming and that's where I first met him.

6 Q Just for more background purposes, is KCAM an AM
7 station or FM station?

8 A It's an AM station.

9 Q Does it have an FM station affiliate?

10 A Not at that time and I don't believe so now.

11 Q And geographically, if you could give us some idea of
12 where Glenallen is relative to Homer.

13 A Well if you let me use Anchorage as a mid-point.....

14 Q That's fine.

15 AAnchorage to Glenallen is 186 miles up the Glenn
16 Highway. Homer is equally so on the opposite direction
17 from Anchorage.

18 Q Now after that initial meeting with Mr. Becker, did you
19 maintain contact with him?

20 A We did. We had mutual interests through amateur radio
21 so we just kept the friendship up that way for a number
22 of years. That was the main contact.

23 Q Now in terms of contact with respect to amateur radio,
24 does that mean that the two of you actually had amateur
25 contacts in terms of conversations with each other or

1 it was something that say, you would meet at a
2 convention or if you could elaborate.

3 A No, we had -- we didn't have regular schedules but we
4 would acquaint each other on the air and just chat with
5 each other as friends through the fraternity of amateur
6 radio.

7 Q Now did there come a time after these initial contacts
8 that you lost touch with Mr. Becker?

9 A Yes I moved to Anchorage and there was a period of time
10 and I -- we hadn't seen each other, talked to each
11 other for a number of years.

12 Q And did -- I take it there came a time then when your
13 contacts resumed.

14 A That is correct. My wife and I were on vacation and we
15 visited the Becker's while we were on vacation in Homer
16 and that's where we became reacquainted.

17 Q Roughly when did that take place?

18 A Oh, roughly 1995, '96, somewhere in that time frame.

19 Q Now after that vacation in Homer, did there come a time
20 when you had another contact with Mr. Becker?

21 A Yes, it's when I was approached by Mr. Becker. We
22 discussed at that point -- I visited stations prior to
23 that, saw the improvements he made being on the air. I
24 was very impressed with his stations and the way he ran
25 things. At that point in time he expressed to me if I

1 had any interest in getting back into broadcasting.

2 And I explained to him yes I was for a retirement type
3 of basis. And that's when we had -- at that point that
4 there was a contact made.

5 Q Roughly when did that occur?

6 A In the summer, I would say, of 1995.

7 Q And was there any follow-up to that in terms of Mr.
8 Becker contacting you further relative to a broadcast
9 opportunity?

10 A Yes that's what occurred at that particular time. He
11 asked me if I was interested and I gave it some
12 thought, yes and, you know, said yes. And then he
13 explained to me the possibility that he had translators
14 that needed to be divested from his corporation and
15 asked if I would be interested.

16 Q I want to place before you a letter dated March 4, 1996
17 and if you would just read the letter to yourself and
18 then I'll ask some questions.

19 A Okay.

20 Q Do you want to go off record while he's reading the
21 letter?

22 THE REPORTER: Off the record.

23 (Off record at 9:44 a.m.)

24 THE REPORTER: On the record.

25 (On record at 9:46 a.m.)

1 Q Now just so you know what's going to happen here. I
2 wasn't going to put in all these documents as exhibits.
3 I was simply going to identify them sufficiently so
4 that later on in the event we needed to we would know
5 what we were talking about. So Mr. Buchanan, the
6 letter I handed you was dated March 4, 1996. It was
7 addressed to Peninsula Communications, Inc.. It
8 concerned various translators. It's a three page
9 letter signed by Stewart (ph) B. Bedell, B-E-D-E-L-L
10 for Linda Blair. A copy was sent to Jeffrey D.
11 Southmayd. And the reason I handed you this letter
12 among other things was that you had indicated just a
13 little while ago in your testimony that your contact
14 with Mr. Becker relative to a possible sale of FM
15 translators from Peninsula to yourself and or Coastal
16 took place some time in the summer of 1995. Does this
17 letter help you fix in your mind when it was that you
18 actually talked with Mr. Becker about the possibility
19 -- first about the possibility of acquiring FM
20 translators?

21 A I still believe in my recollection that it was in 1995.

22 Q Now with that in mind, did Mr. Becker give you any
23 reason as to why he was interested in transferring
24 translators from Peninsula Communications?

25 A It was a mandate by the Federal Communications

1 Commission as I understood it, that the divestiture
2 take place.

3 Q Did Mr. Becker explain to you how this mandate came to
4 be, whether he was, for example, whether he was
5 notified personally that there was a problem or whether
6 there was some general order that the Federal
7 Communications Commission had issued?

8 A The only thing I can remember is that there was just a
9 mandate that was given to him. Now I don't remember
10 the details of that, pursuant to that letter
11 apparently. But I did not know anything else than the
12 fact that he was mandated to do so.

13 Q Now the letter I handed and which you read to yourself,
14 have you seen this letter before today?

15 A I don't believe I've seen that. I may have a copy of
16 things in my file but I don't recall that particular
17 letter.

18 Q And once again, just to -- I'll clarify things, or try
19 to fix things in time. This letter is dated March 4,
20 1996 so if it turns out that this is the letter that
21 actually triggered Mr. Becker's proposal to you, it
22 obviously could not have occurred before March 1, 1996
23 so if you could please just check your memory again to
24 see.....

25 A That's my best recollection now. That's the best that

1 I can recall at this time.

2 Q That's fine. Now as a consequence of Mr. Becker's
3 proposal to you, first of all let's clarify what it
4 was, if anything, that Mr. Becker actually proposed.
5 Why don't you tell us what you recall.

6 A My understanding of the situation was that Mr. Becker
7 needed to divest -- divest himself in the Peninsula
8 Broadcasting of nine translators that he owned and were
9 operational throughout the Kenai Peninsula as well as
10 Kodiak.

11 Q And I take it from what you've said that this proposal
12 appeared to be something you were interested in?

13 A Yes I was interested in that for employment purposes,
14 for retirement, for some income later on, to basically
15 get involved in that operation.

16 Q At about this time, in terms of your testimony 1995 and
17 in terms of this letter March 4, 1996, which is pretty
18 close in time anyway, did you end up purchasing land in
19 Homer?

20 A Yes I did. I purchased land for retirement purposes.

21 Q Has that land been developed in any way since?

22 A No it has not. I still have plans to retire there.
23 But that was the plan.

24 Q Did you take any time to inspect any of the translator
25 facilities that Mr. Becker was desirous of selling?

- 1 A Yes I believe I saw all of them.
- 2 Q And over what period of time did this take place?
- 3 A I would say within that initial year or so.
- 4 Q So your first look at each of the translators was
- 5 spread out over approximately a.....
- 6 A One to two years at the, you know, I would say that.
- 7 Within one year I would say. Roughly, I would say from
- 8 1995, 1996, somewhere in that time frame.
- 9 Q Now in the case of the translators that were in the
- 10 Homer area, would it be -- would I be accurate in
- 11 believing that your visits took place at about the time
- 12 that you and Mr. Becker first discussed the possibility
- 13 of his selling the translators to you?
- 14 A Shortly thereafter.
- 15 Q And those translators you can visit by automobile?
- 16 A Except for Kodiak, yes. But the one's in Homer area,
- 17 yes.
- 18 Q So you could visit the translators in Homer, you could
- 19 visit the translators in the Kenai/Soldotna area and
- 20 then you drove to Seward?
- 21 A That's correct.
- 22 Q And the inspections were initial looks at the Homer
- 23 area, Kenai/Soldotna area and Seward area translators
- 24 occurred within approximately what period of time?
- 25 A I would say within a year. I mean, that's very rough.

1 They were spread out over a period of time. Some you
2 could do all at once, others -- the Seward one was
3 later and I can't even remember a date on that. But I
4 would say roughly within -- I saw them all before we
5 made a proposal.

6 Q So there did come a time that you actually flew to
7 Kodiak?

8 A That is correct.

9 Q I mean, that's how you got there was by flight?

10 A Right. That's correct.

11 Q And was that with Mr. Becker?

12 A Yes it was.

13 Q Now, when you looked at the various translator sites,
14 did you inspect the equipment itself?

15 A That is the purpose of the visits, most likely, yes, in
16 most cases, to see the equipment, to see the setup at
17 each one.

18 Q Now what understanding did you have as to the age of
19 the equipment at each of the sites that you visited?

20 A I would say they have been operational roughly, I would
21 guess for about ten years at various stages of upgrade,
22 sometimes new equipment was upgraded at the sites. At
23 other times there were older pieces of equipment that
24 were still operational, so it was a mix.

25 Q What understanding did you have as to when any of the

1 equipment at the translator sites that you saw were
2 going to need to be replaced?

3 A They were still in good working order and some of it -
4 - most of it was fairly new, I mean, it was still
5 working order. It was pretty reliable solid state
6 equipment so I, from a technical perspective, I thought
7 there was many years of useful time left on the pieces
8 of equipment.

9 Q Now other than Mr. Becker, did you have a conversation
10 with anyone as to why it was that Peninsula was
11 proposing to divest itself of these translators?

12 A Other than Mr. Becker, no. Other than a newspaper
13 article or something that appeared later on but no, he
14 was the only one that I spoke with concerning the
15 divestiture.

16 Q Did you have any awareness as to whether any entities
17 other than Peninsula operated translators in the Kenai
18 Peninsula area?

19 A Could you rephrase -- state the question again please.

20 Q I'll approach it a little differently. Did you ever
21 hear of an entity called KSRM, Inc.?

22 A Yes I did.

23 Q Approximately when did you first hear about them?

24 A When I was at Glennallen in the seventies, KSRM at that
25 point was a religious station and I was aware of their

1 presence on the air. After that period of time I
2 remember the station was sold and I heard that they had
3 done some FM work and I didn't know the details of it
4 all.

5 Q Did you ever become aware that KSRM Inc. operated a
6 translator in Homer which rebroadcast a station that
7 originated in the Kenai/Soldotna area?

8 A I heard that they did at one time. I don't know for
9 how long or what but I heard that they had one in Homer
10 and I can't remember how I learned that. But I was
11 aware of that.

12 Q Did you ever hear that KSRM, Inc. had voluntarily shut
13 that translator down?

14 A I didn't know that if it was a voluntary shutdown or
15 not. I just knew they no longer had it.

16 Q Did you ever see a site for such a translator?

17 A No I did not.

18 Q Do you know a man by the name of John Davis?

19 A I have heard the name but I do not know him.

20 Q Now I take it then that there came a time after you had
21 first looked at these translators that you executed an
22 agreement with Mr. Becker?

23 A That is correct.

24 Q And the purpose of that agreement was to purchase the
25 nine translators that are the subject of the agreement?

1 A That is correct.

2 Q I'm going to hand you a document that bears the title
3 of Asset Purchase Agreement and if you will just take a
4 look through it. We can go off the record.

5 THE REPORTER: Off the record.

6 (Off record at 9:59 a.m.)

7 THE REPORTER: On the record.

8 (On record at 10:00 a.m.)

9 Q Mr. Buchanan, the document that I handed you and which
10 you looked at bears the title of Asset Purchase
11 Agreement and it reflects that it was entered into as
12 of November 4, 1996 and it is between Coastal Broadcast
13 Communications, Inc. and Peninsula Communications,
14 Inc.. On Page 15, there appear two signatures and I
15 ask you to identify those signatures if you can.

16 A Yes, my signature and that of Mr. Becker.

17 Q Now if you could paraphrase or summarize for us what it
18 was that this agreement intended to do.

19 A The agreement was for the purchase of the nine
20 translators to fulfill the mandate by the Commission
21 and that I would take sole ownership and responsibility
22 of those translators under Coastal Broadcast
23 Communications, Inc..

24 Q Do you have any knowledge as to who it was who actually
25 drafted the agreement?

1 A Mr. Becker drafted the agreement but we both had input
2 into the discussion that went into it. And it was put
3 together basically by Mr. Becker since he was the one
4 selling the assets.

5 Q Was legal counsel involved in any way so far as you
6 know?

7 A Yes legal counsel, I believe, Mr. Becker's attorney was
8 involved in this whole process all the way along, as
9 far as I understood it.

10 Q And that person was Jeffrey D. Southmayd?

11 A That is correct.

12 Q For spelling purposes it's S-O-U-T-H-M-A-Y-D. Did you
13 personally or Coastal as an entity have any legal
14 representation during the preparation of this Asset
15 Purchase Agreement?

16 A No.

17 Q Did there come a time when you developed a
18 lawyer/client relationship with someone.....

19 UNKNOWN: (Phone ringing) They'll answer it and if it's
20 -- I assume they will.

21 Q Why don't we go off the record for a minute.

22 THE REPORTER: Off record.

23 (Off record at 10:03 a.m.)

24 THE REPORTER: On record.

25 (On record at 10:04 a.m.)

1 Q Oops.

2 THE REPORTER: Off record.

3 (Off record at 10:04 a.m.)

4 THE REPORTER: On the record.

5 (On record at 10:05 a.m.)

6 Q Now I was in the midst of a question and I'm trying to
7 remember if I completed it. Let me see if I can come
8 up with this again. I believe I was asking whether at
9 some point, you personally or Coastal, developed an
10 attorney/client relationship with respect to the matter
11 related to the Asset Purchase Agreement?

12 A Not officially no.

13 Q How about unofficially?

14 A Well, Mr. Southmayd was handling all the -- handling
15 the transfer and the purchase through his office for
16 the Becker's. Consequently I became involved with him
17 just because of that link.

18 Q So Coastal never reached any kind of formal
19 relationship or contract or understanding with Mr.
20 Southmayd?

21 A There was no contract with Mr. Southmayd. I had such
22 good confidence in Mr. Becker and his honesty and the
23 way he did business, complete trust, and I felt no need
24 for legal counsel of my own to duplicate, even from my
25 side since everything was being done I felt legally and